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# “Feet of Clay”: Organisational Culture and Localism

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## Abstract

The purpose of this paper is to explore the nature and influence of organisational culture and respective values and norms on implementation of the Localism Act by English local authorities. Specific implications for dealing with strategic change are identified, explained and critically evaluated.

Data were collected using exploratory in-depth interviews with officers in English local authorities. The focus was on operational complexity, identification of organisational culture and its impact on implementation of strategic change. Professionals indicated that local authorities are currently hit by cost-cutting measures, but real strategic change is inhibited by both powerful organisational culture and lack of government-supplied resources. Findings also showed that local authorities face a variety of contemporary challenges in dealing with change due to contextual idiosyncrasies. The paper builds on and extends existing literature that has applied organisational theories to the public sector. The paper highlights substantive barriers to change in English local authorities that have potential negative implications for community empowerment and service provision, and effectively hinder strategy implementation. The empirical paper is novel in reviewing, developing and applying models of organisational culture and strategic change to local government by looking specifically at the challenges of strategy implementation at operational levels using the example of localism. Its specific theoretical contribution is data generation that shows a tangible impact of organisational culture on policy implementation in local authorities.

**Keywords:** Local authorities; Localism; Organizational culture; Change; Strategy; Regional and local government

## Introduction

Powerful and often prestigious entities, local authorities are historically characterised by a rather prominent role in English society, towns and communities [1,2]. They display characteristics that highlight their importance as an object of study central to both organisation studies and public sector management. Many local authorities tend to hold considerable weight both in terms of number of employees and respective influence regionally, comparably low staff turnover, and relatively autonomous working routines and operational procedures [3,4]. Arguably, their inner workings continue to remain mysterious to some extent, partly due to lack of transparency and limited academic research to date [5]. Literature suggests that strong organisational culture (OC), a term first used by Pettigrew [6] in an academic literature context, is generally perceived counterproductive to implementation of strategic change in organisations because of strong tendencies to maintain the status quo [7]. English local authorities indeed have a tendency to move and change in a rather slow, incremental fashion [8,9]. A number of studies [10,11] have explicitly investigated the nature of organisational culture in local government. Accordingly, OC in local authorities is often strong and resilient, a feature that is in turn associated with resistance to change [12].

Against this backdrop, recently introduced government policy and legislation, in particular the Localism Act [13] includes seemingly radical plans to transform the public sector, and local authorities. It is therefore important to understand the specific, contemporary impact

of organisational culture on national policy/strategy implementation in local authorities. This particular focus of investigation is relevant not only in terms of effective spatial governance, but also to the general public as a whole: if OC in local authorities affects policy implementation, much of the public is affected by barriers to service provision and negative implications of potential strategic drift. We thus aim to establish if a gap between national strategy formulation and local strategy realisation exists and crucially, whether this is potentially widened by existing OC. By looking at the specific example of the Localism Act [13] and its implementation in local authorities, this empirical study has the following purpose:

- To assess the scope and nature of organisational culture in selected English local authorities.
- To present empirical data that explores the impact of organisational culture on realisation of the localism agenda.
- To identify and untangle complex power relationships between local authorities and the UK national government in a wider context of political turbulence and strategic change.

The following section explores the theoretical underpinning of this paper.

## Organisational Culture

Organisational culture is a multi-disciplinary phenomenon that is blurry, difficult to define, subject to semantic problems and frequently criticised for its abstract value and validity if studied in academic settings [14,15]. Yet, it is something that exists ontologically because it affects most of the workforce in local authorities on a daily basis and

has wide-reaching implications for individuals, organisations and society [16].

The starting point of any meaningful attempt to approach this focus of enquiry is naturally an ontological perspective of realism; it accepts the existence of organisational culture as part of reality in local authorities and suggests that real implications derive for operational processes. In other words, we investigate the phenomenon of OC from employees' perspectives in order to determine its daily impact in local authorities. In essence, culture depicts a complicated phenomenon but despite its complexity, the term arguably continues to exert a certain fascination, perhaps because of the fact that we know so little about it.

Definitions of OC are varied. In abstract terms, the phenomenon may be described as a dense combination of shared values, attitudes, beliefs, and customs of members of an organisation [17] that provide the norm for the behaviour of employees across all levels of hierarchy [18]. As such, OC shapes and expresses itself in values, dominant leadership styles, language and symbols and operational procedures and routines [19], in turn affecting the majority of employees. Organisational culture emerges over time from a variety of influences. Some of these are external to organisations and could include aspects such as national culture, the industry, professional associations and stakeholders [20]. In the case of local authorities in England, according to Martin et al. [21], arguably the most important and persuasive stakeholder is the national government as policy maker. In turn, national policy shapes OC in local authorities because it establishes a rigid framework of norms, objectives and performance control. The Localism Act [13] represents a very tangible government policy underpinned by legislation that declares a specific intention of strategic change, thus creating a specific context for the study of OC.

## Localism

The current localism agenda may be described as a drastic attempt by the UK national government to roll out strategic change across the country. The government has repeatedly outlined its intentions to fundamentally transform local authorities [22-24]. This vision has been formalised through the Localism Act [13]. It emerged from, and is based on the following political paradigm:

The government believes that it is time for a fundamental shift of power from Westminster to people. We will promote decentralisation and democratic engagement, and we will end the era of top-down government by giving new powers to local councils, communities, neighbourhoods and individuals [23].

It is important to note that localism is not necessarily a new term because UK national governments have supposedly attempted to empower local government or local communities in addressing local needs (whilst simultaneously reducing the role of the state) since the 1990s [25]. According to this line of thought, the government argues that:

Centralization and top-down control have proved a failure [...] it is our ambition to distribute power and opportunity to people rather than hoarding authority within government [23].

The rather nebulous concept has been criticised in the literature. Deas [26], for example, describes it, "as a desire to devolve power and responsibility [...] to a variety of local institutions and actors". The local actors such as neighbourhoods, communities and local people are nothing more than abstract nouns, however. Pendlebury [27] also pointed out that it is important to recognise the complexities of power

shifting as the process is currently too theoretical and vague. The scope and appearance of this phenomenon thus requires further investigation and OC is yet to be explored in this contemporary context.

## Strategic Change

The localism agenda represents an intention of radical change. It is therefore pertinent to distinguish between different dimensions of change and organisational fluctuations described in the literature. The first and perhaps most frequent manifestation is general external change as an on-going element of reality affecting the majority of industries and institutions over time [28], usually triggered by incremental shifts in the environment. A second typology of change is strategic change, also affected by external change but steered from within organisations and perhaps more radical in terms of both scope and implications [29,30]. The latter affects all layers of an organisation, results in building of new resource bases and proffers substantive transformations. Early research by Lewin [31] as well as many subsequent publications [32-34] demystified managerial processes related to strategic change and studied factors that may facilitate its timely implementation. These studies, however, appear to provide insufficient focus on the role of organisational culture as a potential barrier to strategic change. There have been calls for explicit research on organisational change based on public sector data [7,35], and the localism agenda represents an opportunity to explore the impact of OC in local authorities in respect of power transfer from national government to citizens in which local authorities are supposed to simultaneously act as change agents and render some of their own decision-making powers.

## The Investigation

As stated earlier, the current research, part of a wider doctoral study conducted over a three-year period from 2010 until 2013, investigates the abstract OC concept in a real setting of strategic change in local authorities. The nature of OC necessitates that data analysis relies on interpretation of employees' views. Their specific job roles and functions in local authorities qualifies them for participation in this study and the investigation focusses on barriers to implementation of the localism agenda, perhaps the most tangible indicator of strategic change from participants' perspectives.

The research design is based on process rather than longitudinal changes. The central unit of analysis is the gap between strategy formulation (the localism agenda communicated by the national government) and implementation (by local authorities). Collected data thus allow for an examination of both the relationship and barriers between these two variables. To this end, data were collected over a seven month period between March and November 2012. Two authorities in the North of England, one in the South of England and one borough of London were included in this research.

Thirty-three interviews were conducted in total. Interviewees were local level planning and conservation officers who were directly affected by the localism agenda because they were responsible for its implementation at the local level. This group of professionals thus represented an ideal target group for the aims of this research. The nature of the study (and the OC phenomenon itself) and the sensitive nature of the views espoused necessitated guarantees of anonymity and confidentiality.

## Analysis and Discussion

Interviews highlighted the following dominant themes:

- Complexity and blurring of ideas of localism and social inclusion
- Competing and contradictory national strategies
- Resistance to change in local authorities
- Lack of resources and government support preventing strategy implementation

The following section presents the key findings of the research, highlighting the emergence of the above themes.

- Willingness and readiness to transfer power

Localism as a government policy rests on the central notion of transferring power from the government to the people, and thus from local authorities to local communities. We therefore initially looked at data evidence that indicated whether local authorities are willing to actively engage in and steer this transfer process. Interviewees stated the following:

- [...] in an ideal world I think the community would have the ultimate responsibility.
- [...] it's evolving and I think the idea of community is evolving and in an ideal world a community is not just about 'this is the community, this is the local authority', the lines would be a bit more blurred than that. I think some [council] officers do see it as a bit of a threat, to be completely honest.
- There's certainly talk about ... getting local communities involved [...] but there's not really any policy to actively make that happen, it's more an aspiration really.
- [...] on a general level, yes, there is very much a strong message to be socially inclusive... You could argue whether that has weakened slightly with the current government, I don't know. So I would say that public policy from government does include a strong requirement to be socially inclusive.

Data above point towards complexity of the localism agenda (Theme 1) and indicate a psychological barrier between local authorities and communities. Principles of localism and power transfer to communities are met with suspicion and reluctance (Theme 3). Frequent usage of the expression "in an ideal world" above reinforces the cynicism displayed by these professionals and also implies that change is not feasible at present. They are also wary of the implications decreasing their own decision making power and describe the government plans as "a bit of a threat". This implies a certain reluctance to change from the designated change agents themselves. Interviewees are, however, fully aware of these intentions because they are outlined in various official documents and policies. In other words, the message has been received and understood. Its implementation, however, has been put on hold. The terms 'localism' and 'social inclusion' also appeared to be used interchangeably. Social inclusion is seen as little more than political rhetoric. Whilst the social inclusion-localism message travelling from national government therefore appeared to be diluted or even currently absent, officers were keen to stress that their working practices are, nonetheless, supposed to be underpinned by such inclusive principles. To unravel how this actually affects practice, officers were probed more critically about what this inclusive undercurrent really meant.

Interpreting the practical reality: a vague and contradictory message

The competing and contradictory nature of national policy (Theme 2) is highlighted by the quotes below.

[...] it's allowing the people who want to be involved in the process to be involved and reaching out to people who aren't already aware of the process and giving them the information to get involved if they want to, if that makes sense. That's an ideal, I don't think it's necessarily achievable, I think we've got to go as far down that line as we can, but we're probably not going to get anywhere near the real social inclusion that would be everybody who wants to be involved can have a say. We've got to try hard, but realise that we've got feet of clay and it's not going to get there. It probably would be mind bogglingly expensive to try and get any further than we're going at the moment.

[...] things have moved on. I wouldn't say that social inclusion isn't a priority but it's probably not the top one now. I mean it fits in with big society and localism which clearly are priorities. I mean personally I feel there's a bit of tension between some of those objectives and things like the growth agenda which is the biggest priority of all and some of these things, they don't actually fit together very well. They can't do everything.

[...] at the moment there's not a movement to do this [involve communities] because there's various things competing for the attention.

In addition to vague national messages, local authorities share responsibility for time gaps and unsatisfying implementation rates. The expression "feet of clay" above originally stems from The Old Testament (Daniel 2, 31-40) and symbolises the general slow-paced, static nature of local authorities and the deep-set organisational culture which is difficult to change (Theme 3). Indeed, interviewees display general pessimism in relation to any implementation of the localism agenda. Furthermore, the identified contradiction in national government policy appears to be a barrier to effective implementation at the local level. The biggest obstacle to policy realisation, however, is described as lack of support, funding and resources from the national government. The following interviewee comments confirm this.

Lack of strategic support/resources

The following extracts point specifically to issues of resource allocation and lack of strategic support:

They need a clear and strong message and almost a sort of implementation plan or strategy. It needs to be thought through and then strongly and positively conveyed to those professionals and the wider communities or nothing will ever change. It will remain business as usual.

It's happening but it's very hit and miss as to how it's happening, there's no strategic support really to pull all those things together.

Two problem areas emerge, insufficient resource allocation to implement the localism agenda and extensive staff redundancies and cost cutting measures (Theme 4). Both prevent realisation of transfer of power to local authorities and working closer with local people, as the following interview extracts underline:

The people that we most need to help us get up and running are getting thin on the ground. There's just no getting away from the fact that local authorities are really stretched at the moment and will probably be stretched for quite a long way into the future... I think that's just the reality of the situation.



There are concerns about a loss of specialised [...] posts in local authorities in resource pressures and all that.

It puts pressure on local authorities and we all know that they're being, you know, tightened up in terms of numbers and resourcing so it is, yeah it's another sort of conflict there.

[...] it's very difficult for authorities at the moment, what they've got to look at and the cuts they've got to take over the next three years are substantial and I still honestly think, and bearing in mind I've met with the vast majority of the chief execs from the authorities, they're working through...their primary concern is to maintain the services, the essential services to the community.

In a climate of potential job losses and little financial freedom, departure from established practices is unlikely. This is because personal uncertainty and lowered staff morale act to reinforce norms and existing organisational culture. In such circumstances, strategic change and radical ideological paradigm shifts as required by the localism agenda represent almost insurmountable barriers.

#### Established ideologies and working culture

[...] there's still that mind-set that there is only certain things we should be doing.

[...] one of the issues...is that there's so much day to day work to be done...and I think it's really hard to step back and think about things in that more philosophical sense.

It appears that the challenge rests with the mind-sets of local authority professionals, an issue integral to OC. Until philosophical and ideological change takes place, effective implementation of localism ideals will remain an illusion.

The above findings lend weight to a number of observations. As proffered by other authors [9], the data evidence suggests that organisational culture in English local authorities may indeed inhibit strategic change, as exemplified by the localism agenda. Such culture appears to be characterised by lack of flexibility towards change, inability to react quickly and an underlying ideology which separates local authorities from the communities they serve. The latter presents itself as a deep fracture which oppresses implementation of localism ideals. Furthermore, these characteristics appear to widen the gap between local authorities (strong OC) and national government (lack of funding and support). As a result, policy implementation remains unrealised and challenges to service provision emerge. Indeed, professionals tend to retreat back to their core services and practices. In other words, organisational culture as a highly complex, specific, rather than general phenomenon appears to promote streamlined operation in the organisations studied. In practice, this means an emphasis on routines, single-loop learning and incremental change [30]. In such a climate, radical change is openly opposed. The localism agenda, however, represents an intention of radical change. Its implementation is therefore questionable as it is fundamentally dependent on organisational slack, double-loop learning and dynamic capability building activities [9]. These preconditions are insufficiently given in the context of local authorities, as the persistent reluctance to give up decision-making power to local communities has shown earlier.

One important observation is that participants tend to assign responsibility for failure to resource cuts and funding issues, resulting in unrealised policy implementation. Whilst these are relevant and not without influence, this research indicates that they are secondary to

the more profound barrier as represented by organisational culture at the local authority level. Notwithstanding the above, resource cuts do nevertheless imply focus on core frontline services as aforesaid. Consequently, community involvement and empowerment is pushed to the periphery and not a central priority. The paradox is that established norms and procedures constitute a psychological safe haven in periods of turbulence. The localism agenda of radical change does not complement these contemporary circumstances and is thus unlikely to benefit from implementation in the near future. This is perhaps owed to the fact that the agenda itself appears extremely radical as a complete power shift, yet lacks credibility due to its blurry form of appearance, mainly caused by patchy communication from the UK government. As such, it constitutes a political construct rather than a reasonable and logical transition process from the local authorities' perspectives. This lack of credibility is further underlined by the resource cuts that constitute tangible reality and are not mere political intentions. As such, organisational culture itself does not necessarily inhibit the localism agenda, but it equally does very little to contribute toward its realisation and thus represents at least an indirect obstacle.

OC is often labelled peripheral rather than central to organisational performance [15], affecting employee wellbeing and job satisfaction rather than implementation of strategy. This research, however, suggests that the relevance of organisational culture in local authorities is high in the context of localism because of its ontological co-function as change blockage, thus it becomes a central phenomenon that justifiably requires further investigation.

#### Implications for practitioners

The paper identifies the following major implications for policy and practice:

##### Stagnation in terms of localism and social inclusion

A widening gap between local authorities and communities (there is an urgent need to address this to avoid strategic drift)

A widening gap between the UK government and local authorities, characterised by mental depreciation of credibility and lack of identification with government policy by local authorities' officers

Moreover, the evidence has highlighted the importance of critically re-thinking about those established processes that tend to be subconsciously and habitually undertaken in local authorities.

## Conclusion

The research presented in this paper suggests that principles of localism are currently unachievable and that the practical reality is far from the government's intention. Its specific theoretical contribution is data generation that shows a tangible impact of organisational culture on policy implementation in local authorities. Crucially, it finds that the identified organisational culture and its established ideologies and working practices appear more powerful than the somewhat vague communication from the national government. Indeed, the notion that local authorities have "feet of clay" reinforces the argument that they are slow to adapt to radical government reforms, regardless of their justification. Clearly these issues inhibit transfer of decision-making power from Westminster to local communities. Moreover, it is the local authorities that, perhaps unintentionally, appear to represent a major stumbling block between the two entities, i.e. local communities and national government; thus

preventing appropriate implementation of change strategy/policy. Resource provision therefore is only one aspect of what appears to be a wider problem: deep-rooted ideologies, norms and established practices and, ultimately, strong organisational culture in local authorities.

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